Strategy, Analytics & Execution: Three Key Steps Toward Performance Optimization

A former colleague of mine always said "data is power". While data is clearly important, data alone is never the solution to Optimizing Operational and Financial Performance in the Physician Enterprise.

Many of us realize that virtually all Hospital employed Physician Practices do not perform as well as their independent Private Practice counterparts – and in fact lose money at the bottom line for the organizations. While there are several strategic factors that account for a significant portion of these bottom line loses, there are other more operationally actionable factors that can be optimized to improve overall financial and operational performance in these employed practices.

While access to critical, accurate data is certainly important, this data (in an of itself) will not be sufficient to solve the problem of; How can we lose less money in our employed Physician Enterprise? In order to truly identify actionable opportunities to improve performance in these practices, EBMGroup utilizes the combination of a proven approach and our proprietary cloud-based & industry-configured SAE OptimizerTM, powered by GrandMetricsTM_to lead clients through these three key steps:

1. Strategy

Reviewing data without a plan is never very useful or effective. Therefore, it is critical that the Physician Enterprise undertake a rigorous and guided Strategic Planning process that will combine expert consulting and facilitation resources with the organization's own internal knowledge and insights to develop a comprehensive plan for success. While things rarely go according to plan, the more planning that is done up front helps organizations to deal with whatever actually happens. Developing a meaningful Strategy starts with completion of a comprehensive SWOT Assessment. Figure 1 shows an example of the SWOT assessment deliverable resulting from our detailed and guided planning process.

Figure 1. EBMGroup clients are guided through a detailed SWOT Assessment

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	Strengths (I	nternal Fo	ocus)		Weaknesses (Ir	nternal Focus)	
Priority Ranking	Торіс	Importance Rating	Importance Meaning	 Priority Ranking 		Importance Rating	Importance Meanin
1	Access to ancillary services	3.0	Very important for the company competitors	asi 2	Marketing cost effectiveness Technology integration	2.0	Moderately import Moderately import
1	Business reputation	3.0	Very important for the company competitors	as i 2	Use of physician extenders	2.0	Moderately import
1	Cash management	3.0	Very important for the company	as i 2	Competitiveness of wages Contract negotiation / renegotiation	1.0	Somewhat importa Very important for
1	Compliance with laws and regulations	3.0	competitors Very important for the company competitors	as i 2	Data driven management orientation Effectiveness of budgeting	3.0 3.0	Very important for Very important for
1	Financial Stability	3.0	Very important for the company	as i 2	Family Medicine Management expertise and effectiveness	3.0	Very important for Very important for
		2.7		* Tota		2.7	
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	Opportunities				Threats (Exte		
	Opportunities Topic	(External			Threats (Exte	ernal Focus)	Importance Meani
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Once a meaningful SWOT Assessment is complete, our expert Team guides our clients through a detailed Strategic Planning session that focuses organizational thinking and planning around the development of meaningful Objectives combined with specific Initiatives and Actions identified as necessary to achieve desired performance results. Figure 2 shows an example of a Strategic Plan Summary with drill down to the specific KPIs necessary to track performance across specific Objectives and Actions.

One final, but critically important step is to develop performance goals and assign responsibility from the "C Suite" level on down to the individual Provider and Manager levels. Failure of organizations to delineate a clear understanding of "who" is responsible for "what" is the single most common reason that their stated goals are never achieved.

Figure 2. SAE Optimizer documents the Strategic Plan with detailed drill down to specific assignments.

View Ad	ction Details & Assignments		Help Abbr
Strateg	gic Plan Summary 60	actions	
Objective	Key Performance Indicator	Action ID	View Other Fi
🗄 🔳 Manage Major Financial Statement Line Items		Expand to View	
Manage Payer Rates		Expand to View	Action Assigned To
Manage Practice Expenses		Expand to View	All
Optimize Enterprise Brand Performance		Expand to View	All
Optimize Provider Compensation Alignment		Expand to View	SecondaryMeasure
Optimize Provider Productivity / Efficiency			
Improve provider productivity			All
Identify & Reward high performers+	Provider Productivity Incentives	3	Specialty
Maximize days worked per month+	Actual Days Worked	7	
Optimize E&M Coding levels+	Established Outpatient Coding Levels vs Desired	1 5	All
Optimize Encounter Value+	wRVUs per encounter	8	La callana
Optimize Scheduling			Location
Decrease appointment no-show rates+	Encounters per day	2	All
Optimize physician scheduling+	wRVUS Fav (Unfav) vs Desired	1	Organization Hi
Optimize Revenue Cycle		Expand to View	Select All
			 Dr. Clinton Dr. Jefferson Dr. Washington

2. Analytics

Remember the notion that "data is power"? Truth be told, data is only powerful only if it coupled with appropriate situational context and understanding. The development of a Strategic Plan, organizational Objectives, Initiatives and specific Actions with assigned performance Goals all serve to provide the required context and understanding surrounding the data. Robust data Analytics enables the organization to clearly understand current levels of performance associated with a vast array of important Key Performance Indicators (KPIs). Therefore, the next critical step for the organization is the development of an understanding of which KPIs must be utilized to deliver a clear and meaningful picture of performance across

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the overall organization and on down to the responsible individual level. Figure 3 shows how we utilize SAE Optimizer[™] Analytics to track performance under multiple KPIs against stated Goals.

Figure 3. Understanding performance across multiple KPIs puts "power" into data.

Objective				Key Perform	ance muica					Abbr
Optimize Pro	ovider Produc	ctivity / Efficiency		∼ All					\sim	Abbr
Initiative				Specialty			Locat	tion		
All				∼ All			\sim All		\sim	View Org Chart Filter
Action				Indicator		Importance	Actio	n Assigned T	o	
All				× All	\sim	All	\sim All		\sim	View Monthly Resul
		6 actions Key	ormance India	cator L	.ast Stat	tus (Ac	tions)			
Business				Key Peformance				Lact ve		
Business Objective	Initiative	Action	Month	Key Peformance Indicator	Anchor	Goal	Last Value	Last vs Anchor	Last vs Goal	Monthly Actual Trend
Objective Optimize Provider oductivity / p	Initiative Improve provider productivity	Action Maximize days worked per month	Month September 2018		Anchor	Goal 427.92	Last Value 415.83		Last vs Goal	·····
Objective Optimize Provider oductivity / p	Improve provider		September	Indicator	Anchor				✓	Monthly Actual Trend
Objective Optimize Provider	Improve provider	Maximize days worked per month	September 2018 September 2018	Indicator Actual Days Worked Established Outpatient	Anchor	427.92	415.83		-3 %	
Dbjective Optimize Provider oductivity / p	Improve provider	Maximize days worked per month Optimize E&M Coding levels	September 2018 September 2018 September	Indicator Actual Days Worked Established Outpatient Coding Levels vs Desired Provider Productivity	Anchor	427.92	415.83 0.96		-3 % -3 %	·····
Definitize Provider oductivity / p fffciency	Improve provider	Maximize days worked per month Optimize E&M Coding levels Identify & Reward high performers	September 2018 September 2018 September 2018 September	Indicator Actual Days Worked Established Outpatient Coding Levels vs Desired Provider Productivity Incentives	Anchor	427.92 1.00 398.46	415.83 0.96 34,948.01		→ -3 % -3 % +8671 %	

3. Execution

Once a robust Strategic Plan has been thoroughly developed, Objectives understood, Goals have been set and data Analytics are in place - then what? Many organizations fail to achieve desired Results due to poor (of often no) effective Execution. So why to organization's tend to often fail at Execution?

-416.53

-1,781.63

September wRVUS Fav (Unfav) vs

Desired

2018

Healthcare is a complex and challenging field with many moving parts and everchanging economic, regulatory and industry dynamics. Most healthcare leaders and providers are very often totally consumed with the burdens of just maintaining day to day operations. Providers tasked with ever increasing practice demands and leaders struggling with their daily workloads often lack the energy and resources necessary to reach the performance levels that they desire. As a result, software and systems designed to simply report on current performance almost never facilitate favorable performance changes. They simply continue to report the "status quo" and over time, "the needle never moves".

EBMGroup's solution to effective Execution is to provide clients with both robust Business Intelligence technology (SAE Optimizer™) combined with expert Performance Optimization Consulting resources. This proven combination leverages the depth and breadth of your team to both identify opportunities for Performance Improvement and assure effective Execution to



achieve desired results. We utilize a Total Managed Service Approach specifically designed to *anticipate*, *identify and inform* our clients of new and existing opportunities on a monthly basis. Our Team, through detailed and ongoing review of actual client data will identify and recommend specific actions as well as provide virtual and "boots on the ground" resources in partnership with each client to drive value through successful Execution.

Detailed Performance Reviews, Internal / External Benchmarking and Profit & Loss Drilldowns are just a few examples of how Physician Enterprise Clients and EBMGroup jointly monitor successful Execution. Figure 4 shows how a structured Performance Reviews can clearly and easily identify performance variances across key KPIs by Specialty and by Provider.



Figure 4. Provider Performance Reviews across 10 custom KPIs

While most organizations routinely create and report Profit & Loss Statements (P&Ls) at the organizational or Physician Enterprise level, many may lack the internal ability to develop and report Financial Performance at the individual Provider level. EBMGroup utilizes SAE Optimizer[™] proprietary methodology to enable the client to understand and report P&L at all levels of the organization. Demonstrating to the individual Provider how the Financial Performance of their individual practices impacts overall Enterprise Performance is a power tool that can be used to identify and reward Performance Improvement at the Individual Provider Level. Figure 5 illustrates P&L drilldown to the Individual Provider Level.



How does a Physician Enterprise know if their level of Financial Performance measures up to other similar organizations? Figure 6 demonstrates how we compare current levels of Financial Performance to National Benchmarks and across internal peers.

Figure 6. Utilization of Internal & External Benchmarking

			imeframe:			Select Benchmarks						
Year S	Selection	١	Month Selectio	n		Benchmark Basis	_	Benchmark Yea	ar			
Abbr	ent Year	\sim	All		\sim	Industry - Top Tier \sim	?	2018			\sim	
Y 🖸 🔳	Select Base Grou	up:	Select Cor	npare Group		Base Group vs Comp	are Group	Amounts by F	FS Line Bv	Physician		
Note: Provider level Spec	cialty 1		Specialty 2			Revenue% Actual eRevenue% Actual	enue% Comp	are Revenue	e% Target (B	Base Group)		
proofe are not currently	nily Medicine (witho	ut 🗸	Family Medicine (without 🗸			Provider Wages & Benefits						
						Practice Personnel Support Co		-				
Loca	ation 1		Location 2			Practice Nonpersonnel Support Co			-			
Am	herst	\sim	Buffalo		$\mathbf{\vee}$	Total Facility Co		• •				
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		Provider 2										
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		\checkmark	All		~	Interest Expe		20.0%	40.0%		60.0%	
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Understanding if, how and why practice performance varies to benchmark and across multiple sites and providers yields keen insights into where Performance Optimization efforts should be focused.

EBMGroup's proven approach to supporting client execution includes a thorough, ongoing, hands on review of actual client data and reporting to identify and recommend specific insights and actions aimed at driving Performance Optimization. In partnership with our clients, we serve to "read the tea leaves" for them and uncover Performance changes and Opportunities and Actions.

Each of the key areas of Strategy, Analytics and Execution relies heavily one upon the other. Separately, each can offer some merit. However, the true value is locked in the synergy when combined in a total approach. EBMGroup's industry Knowledge and Expertise combined with SAE OptimizerTM, powered by GrandMetricsTM technological capabilities offers Physician Enterprises a powerful and effective means of Performance Optimization success.

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